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IMPLEMENTATION OF THE REFORM: RELATIONS WITH OTHER REGIONAL, SUBREGIONAL AND GLOBAL ORGANIZATIONS AND INSTITUTIONS

Note by the Executive Secretary

For the review of the Regional Commissions by ECOSOC which will "evaluate the most appropriate division of labour with regard to both standard-setting and technical cooperation activities and prospects for further rationalization and consolidation", it is proposed to base the ECE contribution to the report of the Secretary-General on the Plan of Action, the note on Operational Activities (E/ECE/1359) and the present note and to take into account views expressed by the Commission on these matters at the 53rd session.

The note shows that the best way to secure fruitful cooperation among dynamic institutions, and at the same time to avoid duplication and inconsistency, is for the secretariats to maintain a regular dialogue and for governments to exercise continuous scrutiny and to properly inform their representatives in different fora. The note also shows that good cooperation exists between ECE and other institutions and takes many forms. The Commission may wish to encourage actions taken or envisaged as described in paragraphs 14, 20, 23, 31, 45, 51, 66 and 67 and may eventually single out modalities which it prefers.

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1. This note reviews the relations between ECE and other regional, subregional and global institutions which have activities of the same nature and in the same areas as ECE and whose membership includes all or some ECE countries. Relations with subregional groupings and initiatives, where cooperation is primarily focused on operational activities, are discussed in document E/ECE/1359.

2. The note has been prepared taking into account the Plan of Action which sets forth the principles and mechanisms to govern relations with other institutions active in the region and the proposal of the Secretary-General, approved by the General Assembly, that ECOSOC consider the "core competencies of the Regional Commissions vis-à-vis global bodies and other regional and subregional intergovernmental bodies" in order to "evaluate the most appropriate division of labour with regard to both standard-setting and technical cooperation activities and prospects for further rationalization and consolidation."

3. Because in practice, inter-institutional cooperation is extremely specific and largely dependent on the persons involved, both in governments and in the institutions themselves, the review below is conducted institution by institution. Nevertheless, it is possible to make some general remarks on the issues of consistency, complementarity and cooperation in respect of products common to ECE and its partner institutions i.e. policy analyses and publications; conventions, norms, standards and policy guidelines; and technical assistance.

4. **Policy analyses** conducted in ECE are very specific as they concentrate on developments in transition economies and on their relations with other countries of the ECE region. They are used in particular by UNCTAD in the preparation of the *Trade and Development Report* and by OSCE at the Economic Forum. In this domain, cooperation with OECD is invaluable as it produces in-depth analysis of its member countries and of the Russian Federation. ECE publications focus on the region, and most of them are produced at the request of a Prinicipal Subsidiary Body. Proposals for their review are made in the document entitled "Implementation of the Reform" (E/ECE/1361) which also contains a list of these publications.

5. **Conventions, norms, standards and guidelines** are the result of intergovernmental negotiations or debates. The main responsibility for avoiding duplication rests primarily with governments, while secretariats obviously have to keep themselves informed of what is done in other institutions. Duplication is avoided in part when intergovernmental bodies of each institution review the work programmes of other institutions and formulate their work programmes accordingly. However, even after such a review an institution may decide to develop its own instruments, taking into account the specific needs of its member countries. In such cases, what is important is that those instruments be <u>consistent</u> with those developed by entities, global, regional or subregional. In fact this has happened and concrete examples are provided in the paragraphs devoted to the European Union and to UNEP which show that inter-institutional dialogue avoids duplication and leads to constructive cooperation. In the same spirit, ECE has initiated active cooperation with ESCAP and ESCWA so as to inform them of the

instruments available which might be of interest to their member countries due to the similarity of problems or vicinity of territories.

6. Technical assistance is an area where risks of duplication and inconsistencies between institutions are the most apparent. Recipient countries address very similar requests to different organizations which are not inclined to refuse because requests for assistance are seen as recognition of competence. In addition, agencies providing assistance are poorly informed of what is available in substantive institutions. Systematic and continuous information about countries and programmes is therefore a prerequisite for the most rational use of expertise of each organisation. In this perspective, information on ECE conventions and norms should be actively promoted. Explicit agreements between institutions provide frameworks which, when used, are efficient in promoting coordinated assistance. Examples are described below and references are made to Memoranda of Understanding with the CIS, BSEC and CEI in document E/ECE/1359. At the county level efforts are being made to establish a more integrated approach to planning, programming and use of UN resources through the preparation of a UN Development Assistance Framework (UNDAF). To be effective, however, the authors of such a framework must be properly informed of the expertise available in all institutions.

7. On some matters, e.g. the promotion of SMEs microcredit, several institutions provide advice which, without being inconsistent, is sometimes confusing because of the language and the presentation. If the institutions concerned were to agree on common guidelines and use them in their assistance activities, this would avoid confusion and would be more efficient.

8. To sum up, a number of general principles govern successful cooperation between international organizations. These principles have to be applied by ECE and its partners. They include:

(a) Good communication :

Mutual exchange of information on activities in common areas of work. This requires consistency of member States' representation in different bodies, regular contacts between the corresponding secretariats through meetings and electronic forms of communication.

(b) Recognition of respective advantages :

Mutual recognition and use of the expertise and experience available in each organization; this is indispensable for the elaboration of common guidelines and prevents "reinvention of the wheel", which leads to a waste of resources, inconsistencies and duplication of activities.

(c) Collaboration :

Agreement on mutual contributions, joint activities and division of labour in areas of common concern; such agreements are more easily

reached when the previous principles are applied and their effective implementation implies regular working relationships between the secretariats of the organizations concerned.

I. COOPERATION WITH GLOBAL ENTITIES

United Nations Conference on Trade and Development (UNCTAD)

9. Both ECE and UNCTAD develop activities in the areas of economic analysis, trade facilitation, investment promotion and transport. ECE focuses on the concerns of European countries, with both advanced and transition economies, primarily through economic analysis and the development of norms and conventions. UNCTAD concentrates on developing countries, primarily through development analysis, policy debates and operational activities.

10. In the field of economic analysis, cooperation is well established: the UNCTAD department in charge of the Trade and Development Report (TDR) draws on data provided and analyses made by ECE for the economies of the region - transition economies but also those of western Europe and North America. This complementarity is served by the timing of the publications in both organizations, taking into account the new format of the Economic Survey of Europe adopted since the ECE reform: an annual volume of three issues. For the TDR (to be finished by mid-June), the ECE can provide UNCTAD with Issue No. 1 of the Economic Survey of Europe and the draft of Issue No. 2. Subsequently, Issue No. 3 can be used by UNCTAD for its short New Year Review of the World Economy. Thanks to the consolidation and the frequent updating of its statistical database, the ECE will make available to UNCTAD the latest economic figures for all countries in the ECE region. Conversely, ECE can draw on UNCTAD when preparing its assessment of the global context for the ECE region.

11. In the field of trade facilitation, the respective strength of the two organizations and ITC leads to the following complementarity :

- ECE develops trade facilitation standards and recommendations for reducing and automating procedures and paperwork;
- ITC develops programmes and training in trade information;
- UNCTAD, through its trade efficiency programme, provides delivery mechanisms and assistance for the "products" developed by ECE and ITC as well as technical advice in trade areas not covered by the other two organizations.

12. UNCTAD has developed a Recommendation on the establishment of national Trade and Transport Facilitation Organizations. This could be perceived as a duplication with UN/ECE Recommendation No. 4 on National Trade Facilitation Organs. However, work is currently being undertaken to harmonize the two recommendations.

13. In operational activities, efforts are made to avoid duplications in the field of trade facilitation, promotion of investments and land locked countries. The overlapping and inconsistencies which emerged in 1997 were most often constructively solved by direct dialogue between the two institutions.

14. It is proposed that the Commission request the Executive Secretary to pursue this work and dialogue with the Secretary-General of UNCTAD and report on progress achieved at the next session of the Commission.

15. In the field of transport, UNCTAD has prepared a Transit Transport Framework Agreement for the countries of Central Asia. This draft Agreement requests countries to accede to and implement a number of ECE legal instruments. However, it leaves out some existing or newly developed ECE legal instruments which are important and relevant for those countries. It also reproduces large excerpts of the texts of those legal instruments which could lead to confusion and divergencies as soon as either UNCTAD or ECE agreements are amended. As a major issue for the countries of Central Asia, is their integration into both Asian and European economies, it would have been wiser not to develop a new Agreement but rather to use existing instruments. In this spirit it is worth noting that following a Resolution adopted by ESCAP (Resolution 48/11, other countries in Asia, including non-ECE member countries such as China, India, Mongolia and Pakistan, are currently studying the accession to several ECE conventions.

United Nations Environmental Programme (UNEP)

16. UNEP has global programmes in the fields of awareness raising, environmental law, information systems and databases, while ECEs work in the field of environment has three major directions: (i) the "Environment for Europe" process; (ii) the development of regional conventions and related protocols; and (iii) the carrying out of Environmental Performance Reviews.

17. An examination of the programmes of the two organizations reveals that a major area for cooperation is environmental law. While ECE is the only forum for preparing and adopting conventions which are specific to the ECE region, UNEP is in a position to integrate these conventions into its world-wide work. UNEP can also share its global experience of capacity-building in environmental legislation by contributing to training activities organised by ECE on the implementation of regional conventions.

18. The issue of Persistant Organic Pollutants (POPs) provides a good example of synergy between the regional and global levels: ECE is developing a Protocol on POPs under its air pollution convention and UNEP has embarked on the development of a global legal instrument in the same area. Coordination is functioning well under the umbrella of the Inter-governmental Forum on Chemicals Safety. Furthermore, ECE provides information on regional approaches to POPs legislation within the global awareness-raising programme.

19. The possible involvement of UNEP in the Environmental Performance Reviews carried out under the aegis of ECE would contribute, in particular, to strengthening the legal and database components of such reviews.

20. In November 1997, a meeting between the Regional Office of UNEP for Europe and the ECE Environment and Human Settlements Division took place to look at potential synergies between the programmes of both organizations. It was agreed that such meetings will be held regularly in order to coordinate work and identify new opportunities for cooperation. The next one should take place just before the "Environment for Europe" Ministerial Meeting (Århus, June, 1998).

HABITAT

21. Habitat is a global entity which provides policy guidelines and advice on a broad range of issues in the area of human settlements. It also has some technical assistance activities in terms of training and capacity-building, both with individual countries and through its regional training centres. These activities are mainly carried out in developing countries and regions.

22. ECE focuses its human settlements activities on a number of priority issues which are of special importance for countries in transition: effective housing policies and the promotion of market oriented reform, land administration, urban renewal and the implementation of sustainable human settlements policies. It has gained experience and developed networks for addressing these issues through seminars, studies, the gathering of case studies, and study tours.

23. Following the above, collaboration between ECE and Habitat will focus on the organization of joint training activities for countries in transition using the longstanding Habitat experience in the ECE countries in transition. In a recent meeting on cooperation between ECE and Habitat, it was decided to keep ECE advised on all ongoing activities in its region and that a meeting will be held in Geneva to define further activities to be carried out jointly.

World Trade Organization (WTO)

24. The main objective of the WTO is the development of a multilateral trade system and any new member has to comply with the rules adopted by the other members. Many ECE countries are still adapting their practices in order to comply with WTO rules. Several ECE working parties help transition countries to define and put in place the norms and standards which are an essential part of the regulatory environment necessary for WTO membership. But the secretariat for its part has no assistance activities linked to the accession process as this is done by UNCTAD and ITC secretariats.

25. ECE work in trade facilitation, norms and standard setting is directly relevant to WTO work on non-tariff barriers. This complementarity is now recognized: the ECE has an observer status at the WTO Committee on Technical

Barriers to Trade and may get the same status this year at the Council for Trade in Goods and Services where it may represent all the Regional Commissions.

26. The work of Working Party 4 and of its successor body, CEFACT, is being considered by WTO for eventual inclusion in its own global agreements. Cooperation between ECE and WTO is also well established regarding the implementation of Trade-Related Investment Measures (TRIMs) and Trade-Related Intellectual Property matters (TRIPs) in the transition countries. ECE's Working Party on International Contract Practices (WP.5) held a forum jointly with the World Bank in 1997 to assist investment promotion agencies to understand better WTO obligations. In 1998 a forum is planned jointly with the World Intellectual Property Organisation (WIPO) to promote better understanding of WTO intellectual property rules.

United Nations Development Programme (UNDP)

27. Although the traditional role of UNDP has been to fund operational projects, it has, in recent years, become itself an implementing body. UNDP's presence in the ECE region began after the end of the cold War, when offices in countries in transition were established. This relatively new presence is the main reason why cooperation between ECE and UNDP, which relates primarily to environment, energy and statistics, has so far been rather limited.

28. Concerning the latter, cooperation has been established to improve demographic and social statistics in countries in transition. UNDP provides financial support which enables ECE to assist the national statistical offices of these countries in adopting and using common concepts and in improving their methodologies for statistics in these areas. This cooperation serves the purposes of both organizations: thanks to UNDP support, the ECE extends the region-wide availability of better and more comparable data to new sectors of activities, taking advantage of its long-standing relationships with national and international bodies for this purpose; on its part, UNDP publishes these data in its global Human Development Report (HDR) and its national HDRs on countries in transition; it also takes them into consideration when designing some of its operational programmes.

29. In energy, ECE obtains financing for its energy-efficiency demonstration zones in countries in transition from the UNDP/World Bank Global Environment Facility (GEF). The ECE Energy Efficiency 2000 Project enables municipal and national teams involved in these projects to have international exposure and experience which assists them in project formulation and increases their capacity to mobilize larger technical assistance grants. The replicability is another important dimension of this ECE/UNDP cooperation: the initial project in this area has served as a model for the development of further projects prepared with UNDP under national execution.

30. UNDP has drawn up a programme for countries in transition in the field of environment where ECE has developed conventions and protocols in the course

of the last two decades. So far the UNDP programme refers neither to these activities nor to the Environment for Europe process set up by the European Ministers of Environment and which is implemented jointly by several organizations of the region, with ECE acting as a catalyst. The objective of this process is to set out long-term environmental policy priorities at the pan-European level and to achieve high standards across the continent, with a support to countries having difficulties in implementing such standards.

31. In view of past experience, the main direction to take for rationalizing cooperation between ECE and UNDP is to have a better mutual knowledge of existing programmes and activities, to consult each other systematically when new ones are planned in common areas of work, and to act jointly when the contribution of both organizations reinforce effectiveness. This calls for annual meetings between the senior staff of the ECE and of the UNDP Regional Bureau for Central European and CIS countries. It is proposed that these consultations take place primarily in the fields of environment and sustainable development, but also in other areas where UNDP has started to develop activities (statistics, energy) or may do so in the future (e.g. trade and transport). To maximize the benefits, conclusions of the meetings should be sent to all participants and Resident Coordinators. They would guide and strengthen the existing working relationships between ECE staff members and their counterparts in UNDP country offices. Furthermore, this process would ensure that ECE expertise and networks are taken into account in the relevant UNDP activities as well as in the preparation of the national policy and programming frameworks, namely the country strategy notes (CSN) and the United Nations Development Assistance Framework (UNDAF).

32. A concrete step towards improved cooperation was recently made: UNDP and ECE have agreed to support jointly the efforts of Central Asian countries in the preparation of a Convention on the Sustainable Development of the Aral Sea region, drawing upon ECE experience in developing normative environmental instruments in the region.

II. COOPERATION WITH REGIONAL ENTITIES

Organization for Security and Cooperation in Europe (OSCE)

33. OSCE, with a membership almost identical to that of ECE, has a comprehensive approach to the establishment and maintenance of peace and security in Europe, involving political, economic and human dimensions. ECE is therefore a natural partner. Since the Helsinki Conference on Security and Cooperation in Europe (1971) the two organizations have developed cooperation based on their common membership and their complementarity of approaches. In particular, the ECE secretariat provides substantive support to the annual OSCE Economic Forums and to seminars addressing more focused economic issues. In 1997 the Parliamentarian Assembly of the OSCE organized, in cooperation with ECE, a colloquium devoted to the cooperation between OSCE, ECE and sub-regional institutions in Europe.

34. At its Jubilee Session, the ECE agreed that the relationships between the two organizations should be formalized in an appropriate manner. Now that OSCE has established the position of Coordinator of Economic and Environmental Activities, the incumbent of which will be able to identify the early warning signals of threats to security stemming from economic environmental problems and draw upon the expertise available in economic and environmental institutions, it is foreseen that the cooperation between the two institutions will be further strengthened. To formalise this cooperation an exchange of letters is foreseen between the OSCE Secretary General and the ECE Executive Secretary. This will establish flexible and effective mechanisms for regular exchanges of views on programmes and advanced planning of mutual contributions.

35. Cooperation will be on a more solid basis if the OSCE develops its project of a model integrating the various dimensions of security - economic, social, institutional and political. Such an approach would build upon the basic idea that stability is best assured by the combination of the respect for the rule law, social consensus and economic efficiency. ECE can contribute substantially to the economic dimension of this integrated approach to security.

Council of Europe

36. The Council of Europe, whose membership is similar to that of ECE's, deals primarily with institutional issues, human rights, democracy and social matters. As is the case for OSCE, the Council of Europe can consider the ECE as a partner complementing its activities by providing contributions in economic and technical fields.

37. In view of this complementarity, the Parliamentary Assembly of the Council of Europe and its Committee on Economic Affairs and Development regularly meet the ECE to discuss its analytical work on the economies of the region and regularly visit the Executive Secretary to present ECE work to one of its plenary session. Since 1990, three Parliamentary Conferences of the Council of Europe have also been organized jointly with the ECE on the progress on economic reform in central and eastern Europe.

38. Environmental matter is the only sector where duplication could emerge but this is prevented by a clear division of labour: ECE has a comprehensive agenda on environmental issues while the Council addresses issues related to pan-European biological and landscape diversity strategy.

III. INSTITUTIONS COVERING PART OF THE ECE REGION

39. As indicated, the subregional groupings and initiatives with which ECE cooperates, mainly in operational activities, are referred to in document E/ECE/1359.

Organisation for Economic Cooperation and Development (OECD)

40. OECD gathers industrialised countries which adhere to the rules of market economy and democracy. Membership has enlarged since the end of the Cold War and several east European countries have joined. As OECD covers all the areas addressed by ECE and has a very strong secretariat, cooperation between the two institutions is particularly essential. Indeed, ECE and OECD have developed relationships in statistics, economic analysis, environment, agricultural quality standards, trade facilitation and investment promotion and through CEMT in transport.

41. In the economic analysis of transition economies, the approach of both institutions is complementary: OECD makes country studies, including on some of its non-member countries, on a rotating basis while ECE regularly analyses macro-economic developments in all countries of the region, examines interdependencies between them and with the rest of the world, and focuses on issues and problems related to transition processes. ECE is regularly invited to the meetings of the Economic and Development Review Committee of the OECD for countries in transition. Moreover, the complementarity in analytical work is still increasing since OECD is now pulling back from those countries in transition which have no prospects of joining the organization in the near future.

42. As regards the statistical data requirements for the economic analysis of west European and north-American countries, ECE relies heavily on data collected by OECD and other international organizations. On its part, ECE is the major provider of economic statistics for countries in transition.

43. In the field of the conceptual and methodological development of statistics, relationships are also well established, with clear practices of cooperation. OECD is among the key intergovernmental organizations which actively participate in the Conference of European Statisticians, the ECE Principal Subsidiary Body in this area and its head of statistics is a permanent observer in the Bureau of the Conference. Within this framework and together with the European Union (EUROSTAT), the IMF and the World Bank, it thus plays an important role in the harmonization of the programmes of work of all organisations active in the region.

44. Specific working relationships have been developed between OECD and ECE in agricultural statistics and national accounts of economies in transition. In both domains, OECD used to provide experts and financing for training and legal assistance seminars for Central and East European countries as well as to CIS countries. Through lack of resources, however it is now withdrawing from such activities which might be shifted to ECE provided that additional resources are made available for this purpose.

45. In the field of standards for fruit and vegetables, OECD takes up those prepared and adopted by UN/ECE. They are integrated into the "OECD Scheme for the Application of International Standards for Fruit and Vegetables". Membership to the Scheme is open to non OECD members provided that they can demonstrate the conformity of their legislation and that they have an

established inspection programme. So far, the OECD has supported the setting up of inspectorates and publicized the quality standards through brochures which the ECE has used for facilitating dissemination and for its training workshops. From January 1998, the OECD programme is financed through voluntary contributions only. This may weaken the control mechanisms and indirectly reduce the observance of the norms. Its is proposed that OECD and ECE seek a solution to this problem together, in view of their complementary involvement on the matter.

46. In the field of the environment, OECD focuses its work on studies and recommendations on economic tools for environmental protection while ECE develops conventions and norms, and provides assistance for their implementation, particularly in countries in transition.

47. At the country-level, OECD conducts Environmental Performance Reviews for its members and ECE applies basically the same methodology for countries in transition. There is a close collaboration between the two organizations, particularly for those ECE countries which may become members of OECD.

48. In the field of trade facilitation, OECD has published a study on "The economic dimension of Electronic Data Interchange (EDI) 1996" and a discussion paper on "Dismantling the barriers to global electronic commerce", prepared for a meeting organized in Turku (Finland), in November 1997. The role of ECE and CEFACT is not well defined in these studies and there is a need for a recognized cooperation in this area, along the lines mentioned above for the environment: OECD deals with the economic dimension of electronic standards, while the ECE deals with norms and standards setting.

49. In investment promotion, the secretariats of OECD and ECE work closely together in informing transition economies of best practices in investment promotion, as demonstrated in the UN/ECE Forum on the "Prospects for Promoting Foreign Direct Investment in the Transition Economies" in October 1997 and in a joint follow-up to the Forum organized by OECD in Riga, (Latvia) in November 1997.

50. An opportunity for furthering this cooperation will take place when the work on the OECD's Multilateral Agreement on Investment is concluded: OECD will be interested in using ECE's good offices to disseminate the instrument to OECD non-members; ECE will be interested in examining whether the framework established corresponds adequately to the interests of its members. To this end a joint review conference could be organized in 1999.

51. In future, cooperation between ECE and OECD must be seen in the changing context of both institutions: the ECE reform and the potential further extension of OECD membership to countries outside and/or in the ECE region combined with budgetary constraints. It is proposed that, in the light of these changes, a meeting at the senior management level take place between ECE and OECD in order to examine the long-term directions for cooperation between the two organizations. This would set the framework for regular consultations

to be subsequently held for each common area of work, between the corresponding ECE divisions and OECD Directorates.

European Union (EU)

52. In view of its economic weight and its common position on an increasing number of issues, the European Union plays a major role in the shaping of the ECE strategic directions and the implementation of its activities. The EU and the ECE have mutually beneficial relationships based on the complementarity of their memberships and on their common concern for countries in transition.

53. Having a more limited membership than the ECE, the EU has developed bilateral "partnership agreements" with a number of other ECE member countries. The ECE serves as a multilateral forum for dialogue between EU and non EU countries on issues calling for regional agreements or policy debates. This occurs in particular in the field of norms and standards, with a "two- way dynamics": a number of ECE legally binding instruments are translated into EU legislation and sometimes EU legislation are used as a model when drafting legal instruments for the whole ECE region.

54. The EU and the ECE have also developed mutually reinforcing linkages in the support which they provide to transition processes in eastern and central Europe and in CIS countries. These countries actually benefit from the political leverage and the economic means of the former, and from the well-established network of expertise of the latter.

55. Taking advantage of these basic complementarities, the ECE and the European Commission have numerous collaborative activities, especially but not exclusively, in the areas of statistics, transport, environment and trade.

Statistics

56. Like the OECD (see para. 43), EUROSTAT, the Statistical Office of the European Commission, is a key international institution which participates actively in the Conference of European Statisticians and its Bureau, as permanent observer. The statistical work plans of EUROSTAT are integrated in the annual Joint Presentation of Work Programmes of all organizations having statistical activities in the region. Furthermore, about a quarter of ECE meetings are organized jointly with EUROSTAT.

57. The ECE relies heavily on EUROSTAT for statistics on the EU countries, while the latter benefits from the ECE access to statistical data on countries in transition. The two organizations work jointly on specific issues. An example of such cooperation is the ECE/EUROSTAT joint preparation of recommendations for the "2000 Population and Housing Census".

58. Furthermore, EUROSTAT has agreed that PHARE and TACIS funds be used for ensuring the participation of countries in transition to a selected number of ECE/EUROSTAT meetings organized by the Conference of European Statisticians.

This is essential for developing common concepts and methodologies, and subsequently comparable data in all countries of the region. It is therefore expected that this practice will continue, even though EU funds are currently being concentrated in countries in transition which have applied for EU membership.

Transport

59. The two-way cooperation mentioned above on normative activities is particularly effective in this sector (e.g. for norms on vehicle construction and transport of dangerous goods). More generally, the EU is a Contracting Party to a number of ECE legal instruments on transport and actively contributes to their development or revision, as demonstrated in the case of the TIR Convention.

60. The Pan-European Transport Conferences which have been organized by the EU in cooperation with other international organizations including ECE, address in particular the issue of region-wide transport infrastructure corridors. The follow-up to the third Conference (Helsinki, June 1997) will be made jointly by the European Conference of Transport Ministers (ECMT), the EU and the ECE. There is a need to focus infrastructure development in central and eastern Europe on corridors of Pan-European interest and it is recognized that ECE is the most experienced organization in this area through its work on the development of common methodologies for infrastructure planning, through its pan-European networks for road, rail, inland waterways and combined transport contained respectively in the AGR, AGC, AGN and AGTC agreements, as well as through its Trans European Motorway (TEM) and Trans European Railway (TER) Projects.

61. The ECE, the only regional institution which has a long-standing expertise and strong secretariat in both sectors, organized a Ministerial Conference on Transport and Environment in November 1997 in Vienna. It has been agreed that the overall monitoring of the implementation of the Declaration and the Programme of Joint Action adopted at the Conference will be performed jointly by the ECE Inland Transport Committee and the ECE Committee on Environmental Policy. Furthermore, the ECMT, the EU and the ECE will closely coordinate their follow-up activities.

Environment

62. As in the field of transport, the EU adopts strategies and sets up Directives which enable its member countries to fulfill their obligations under the ECE Conventions, in particular the Conventions on Long-Range Transboundary Air Pollution, on Environmental Impact Assessment, and on the Transboundary Effects of Industrial Accidents. Furthermore, through the PHARE and TACIS programmes, the EU provides financial assistance to 12 countries in transition for field projects related to the ECE Transboundary Waters Convention.

63. A Memorandum of Understanding has been signed between the ECE and the European Environmental Agency (EEA) of the EU in September 1996. The major fields of cooperation are the Environmental Programme for Europe, Environmental Performance Reviews, Air Emission Inventories and Monitoring and Assessment Mechanisms.

Trade

64. Under the auspices of the Committee on Trade, Industry and Enterprise Development, the ECE and the EU have well-established cooperation. For example, the European Commission helped to finance, with the World Bank, the 1997 Investment Forum and makes a continuing and significant contribution to the Western European Edifact Board. In the case of agriculture, the ECE sets quality standards for fresh and dried produce which are translated into relevant EU directives and regulations. In the chemical sector, the ECE and the EU have a joint project on chemical legislation the CHEMLEX (comparative database of national legislation regarding chemicals) which is funded by the EU, and carried out by the ECE in cooperation with the EU.

Other areas

65. The EU provides support to technical assistance activities in other ECE areas of work; in particular to the ECE Programme on forest resource assessment and to the Energy Efficiency 2000 Project. It also supports the South East European Cooperative Initiative (SECI) by sending experts for the project group meetings on gas, transport infrastructure, border-crossing facilitation and SMEs.

66. It is envisaged to harmonize guidelines on SMEs, through a quadripartite cooperation between the EBRD, the OECD, the EU and the ECE, all of which have guidelines in this area. This approach could be followed for other issues.

67. The long-term relationships between the EU and the ECE must be seen against the background of the expanding membership of the EU and the uneven economic situation of countries not members of the Union. It is proposed that a discussion at the highest executive level of both organizations take place in order to determine how the ECE framework can be best used for fostering cooperation between the EU and the different categories of non EU countries. The areas and the main tools for such cooperation should be identified. This would then be further refined, implemented and regularly adjusted through strengthened working relationships between the relevant EC Directorates General and ECE Divisions.

IV. [illegible]

68. It emerges from the above that the work of ECE is largely complementary to that of other institutions; either the division of labour is clear or, if not, complementarity has been more often secured through intersecretarial dialogue and intergovernmental scrutiny.